(b) whether the move of Government to sell some of the units of NTPC is going to help private sector investment in power sector;

(c) if so, the details thereof ;

(d) whether the value of the NTPC units to which Government propose to sell have been evaluated ; and

(e) if so, the details thereof and procedure to be followed for the sale of units?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) Yes, Sir.

(b) to (e) In order to enable the Government to implement and accelerated power development programme, the Government is considering various options for mobilizing resources to supplement the funds likely to be provided in the plan and to leverage the strengths of different Central Public Sector Undertakings under the Ministry of Power. M/s. ICICI and SBI Companies were appointed as Consultants to suggest various options of raising resources for the Central PSUs to invest in accelearted power development programme. A final decision on the modality of leveraging the financial strength of different CPSUs covering various aspects like disinvestment, privatization, selling off etc. will be taken in consultation with Planning Commission and concerned Ministries.

Power Purchase Agreement between Government of Karnataka and Cogentrix

4079. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleased to state:

(a) whether Central Government have asked Karnataka Government to revise the Power Purchase agreement with Cogentrix;

(b) whether the decision taken by the Cogentrix to withdraw their business from the country would have any adverse impact on power situation in the country; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The conditions laid down for issue

of counter guarantee by Government of India (GOI) to the 1013.2 MW Mangalore power project proposed to be developed by Mangalore Power Company (MPC), of which M/s. Cogentrix Energy Inc., were one of the main promoters, *inter-alia,* stipulated the following :—

"the Power Purchase Agreement (PPA) between the Karnataka State Electricity Board (KEB) and MPC would have to be amended, wherever necessary, to adopt the following measures :—

(a) Not allowing income-tax on incentives to be passed through in tariffs.

(b) Not permitting additional profits to be deprived by the developer on account of actual operational perfomance being better than the normative levels fixed for the purpose of tariff fixation. Accordingly, to ensure that the reimbursement of fuel expenses does not become a source of profit, for the purpose of calculating the tariffs, the heat rate, auxiliary consumption and secondary fuel oil consumption would be determined on the basis of actuals or norms whichever is lower.

Ministry of Power has already issued an amendment to the tariff notification of March 31, 1992 vide notification S. O. No. 496 (E) dated 9th June, 1998 in this regard."

(b) Government does not perceive any adverse effect on investments in the Indian power sector on account of withdrawal by M/s. Cogentrix Energy Inc. from the Mangalore Power Project and the MPC. So far as the Mangalore Power Project is concerned, M/s. CLP Power international, who were parteners to M/s. Cogentrix energy Inc. in the MPC, propose to implement the project alongwith an Indian partner who would hold 30% equity in the company.

(c) Does not arise.

Amendments in the Electricity Act

4080. SHRI KRISHNA KUMAR BIRLA: Will the Minister of POWER be pleased to state:

(a) whether Central Government have been actively considering to bring amendments in the Electricity Act;

(b) if so, the reasons and justification in bringing amendments in the Elecricity Act; and